UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK
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In re:

DOWLING COLLEGE,	Chapter 11
f/d/b/a DOWLING INSTITUTE,	
f/d/b/a DOWLING COLLEGE ALUMNI ASSOCIATION,	Case No.: 16-75545 (REG)
f/d/b/a CECOM,	
a/k/a DOWLING COLLEGE, INC.,	

Debtor.

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**STIPULATION AND ORDER AMENDING
FINAL ORDER (I) AUTHORIZING DEBTOR TO OBTAIN
POSTPETITION FINANCING AND USE CASH COLLATERAL, (II) GRANTING
ADEQUATE PROTECTION, AND (III) GRANTING CERTAIN RELATED RELIEF**

This Stipulation and Order (this "Stipulation and Order") is entered into by and among

UMB Bank, National Association, as successor indenture trustee for the Series 1996 Bonds and

Series 2002 Bonds described below and indenture trustee for the Series 2015 Bonds described

below ("UMB"), Wilmington Trust, National Association, as successor indenture trustee for the

Series 2006 Bonds described below ("Wilmington Trust"), ACA Financial Guarantee

Corporation, as bond insurer for the Series 2006 Bonds ("ACA"), Dowling College (the

"Debtor") and the Official Committee of Unsecured Creditors (the "Committee") in *In re*

Dowling College, Chapter 11 Case No. 16-75545 (the "Bankruptcy Proceedings"). As used

herein, UMB, Wilmington Trust and ACA may each be referred to as a "Prepetition Secured

Lender" and, collectively, as "Prepetition Secured Lenders"). As used herein, UMB, Wilmington

Trust, ACA, the Debtor and the Committee may each be referred to as a "Party" and collectively

as the "Parties".

R E C I T A L S

I.   On November 29, 2016, the Debtor filed a voluntary petition pursuant to chapter

11 or title 11, United States Code (the "Bankruptcy Code") in the United States Bankruptcy

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Court for the Eastern District of New York (the "Bankruptcy Court").

II.   On July 14, 2017, the Bankruptcy Court entered the *Final Order (I) Authorizing Debtor to Obtain Postpetition Financing and Use Cash Collateral, (II) Granting Adequate Protection, and (III) Granting Certain Related Relief* (ECF Doc. No. 367) (the "Final DIP Order").[1]

III.   The Final DIP Order, among other things, approves a settlement term sheet (the "Term Sheet") between the Parties whereby the Parties agreed to a distribution scheme (the "Original Distribution Scheme") with respect to the proceeds of the sales of all the Debtor's assets (the "Proceeds").

IV.   Subsequent to the entry of the Final DIP Order, the Parties have determined that the Original Distribution Scheme will not provide sufficient funds to the Debtor's estate to permit the Debtor to pay all unsecured priority claims under any chapter 11 plan. In the interests of ensuring that the Debtor is able to confirm a chapter 11 plan in the Bankruptcy Proceedings, the Parties have agreed to amend the Original Distribution Scheme contained in the Final DIP Order, subject to approval of the Bankruptcy Court.

NOW THEREFORE, it is hereby stipulated and agreed, by and among the Parties as follows:

1.   Notwithstanding anything to the contrary in the Final DIP Order or the Term Sheet, after payment in full of all direct costs of sale of the Debtor's assets, the Debtor's estate shall retain $300,000, which shall be used by the Parties to fund a liquidating trust associated with the Debtor's chapter 11 plan.

2.   In addition to the Prepetition Secured Lenders' agreement in the Final DIP Order

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[1] All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Final DIP Order.

and Term Sheet to satisfy one-half of all unsecured priority claims against the Debtor's estate, the Prepetition Secured Lenders shall also satisfy an additional portion of such unsecured priority claims to the extent that the amounts allocated to unsecured creditors under the Final DIP Order and Term Sheet are not sufficient to satisfy the unsecured creditors' one-half share of such obligation.

3.   This Stipulation may be executed in counterparts, each of which shall be deemed equally authentic. Facsimile and electronic signatures shall be deemed originals and shall be given the same force and effect.

[SIGNATURE PAGES TO FOLLOW]

Dated: New York, New York
        October 17, 2018

                     KLESTADT WINTERS JURELLER
                     SOUTHARD & STEVENS, LLP
                Counsel to the Debtor

By: *s/ Sean C. Southard*
        Sean C. Southard
        200 West 41st Street
        New York, NY 10036
        (212) 972-3000

Dated: New York, New York
        October 17, 2018

                     WHITE & CASE LLP
                Counsel to ACA Financial Guaranty
                Corporation, as Bond Insurer for the Series
                2006 Bonds

By: *s/ Brian Pfeiffer*
        Brian Pfeiffer
        1221 6th Avenue
        New York, NY 10020
        (212) 819-8237

Dated: Jericho, New York
                     SILVERMANACAMPORA LLP
    October 17, 2018   Counsel to the Official Committee of
                Unsecured Creditors of Dowling College

By: *s/ Ronald J. Friedman*
        Ronald J. Friedman
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        Jericho, New York 11753
        (516) 479-6300

Dated: Boston, Massachusetts
     October 17, 2018

MINTZ, LEVIN, COHN, FERRIS GLOVSKY AND POPEO, P.C.
Counsel to Oppenheimer Rochester Short Term Municipal Fund, as Holder of Certain Series 1996 Bonds

By: *s/ P. Miyoko Sato*
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Dated: Boston, Massachusetts
     October 17, 2018

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Dated: Boston, Massachusetts
     October 17, 2018

MINTZ, LEVIN, COHN, FERRIS GLOVSKY AND POPEO, P.C.
Counsel to Oppenheimer Rochester AMT-Free New York Municipal Fund, as Holder of Certain Series 1996, Series 2002, and Series 2015 Bonds

By: *s/ P. Miyoko Sato*
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SO ORDERED:

Dated: Central Islip, New York
     December 21, 2018

Robert E. Grossman
United States Bankruptcy Judge